



Field Advisory Services (FAS)

FASTTRACK

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Department of Defense (DoD) Publishes National Security Personnel System (NSPS) Regulations

NSPS Program Executive Office
(PEO)

The proposed regulations for the National Security Personnel System (NSPS) were published in the Federal Register on February 14, 2005, and made available for review and comment by all interested parties. The proposal offers rules and processes for a new human resources system for Department of Defense (DoD) civilian employees regarding pay and classification, performance management, hiring, workforce shaping, disciplinary matters, appeals procedures, and labor-management relations.

NSPS was signed into law on November 24, 2003, and for the first year DoD and the

Office of Personnel Management (OPM) have been working to design a modernized, performance-based civilian personnel system. NSPS will improve the way DoD hires, assigns, compensates, and rewards its employees, while preserving the core merit principles, veterans' preference, and important employee protections and benefits of the current system. The proposed regulations are the result of a broad-based effort that included input from DoD employees, supervisors, managers, senior leaders, union representatives, and public interest groups.

At a press conference on February 10th, the Honorable Secretary Gordon England, DoD senior executive overseeing NSPS, and Dan Blair, acting director of the Office of Per-

(Continued on page 2)

Highlights of NSPS Proposed Regulations

NSPS PEO

Our current HR system is inadequate to manage the diverse DoD civilian workforce in today's dynamic national security environment, which requires a flexible and agile total force to meet the threats of the 21st century. The Department has more than 20 years of successful experience with testing personnel flexibilities, namely in our personnel demonstration projects, such as China Lake and the Acquisition Demonstration Project. It is now time to expand those flexibilities to the rest of the Department.

NSPS will modernize a 50-year-old, outdated civil service system and allow us to attract, recruit, retain, compensate, reward, and manage our employees, with a focus on performance, flexibility, and accountability.

Highlights of the new system include:

- Simplified pay banding structure, allowing flexibility in assigning work;
- Pay increases based on performance, rather than longevity;
- A performance management system that requires supervisors to set clear expectations (linked to DoD's goals and objectives) and employees to be accountable;
- Streamlined and more responsive hiring processes;
- More efficient, faster procedures for addressing disciplinary and performance problems, while protecting employee due process rights; and
- A labor relations system that recognizes our national security mission and the need to act swiftly to execute that mission, while preserving collective bargaining rights of employees.

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"Washington, DC, is a beautiful city with a lot to offer," says CPMS' Jan Hoffheins (see article, page 5). Above: The U.S. Capitol in springtime.



NSPS Comment Period Runs through March 16th

(Continued from page 1)

sonnel Management, called the publication of the proposed NSPS regulations a critical milestone in the development of this new personnel system that will emphasize performance rather than longevity as it provides more agile, flexible support to the Department's post-September 11th missions. Secretary England stated, "NSPS is a win-win-win system...a win for our employees, a win for our military, and a win for our nation."

Mr. Blair stated that NSPS will give DoD employees and managers "greater flexibility to accomplish their vital national security mission." He further stated, "True to the intent of the

enabling legislation, the proposed regulations successfully balance the mission requirements of the department and the need to maintain core civil service principles and values."

The 30-day formal public comment period will end on March 16th and will be followed by a statutory meet-and-confer process with employee representatives. For a minimum of 30 days, views and concerns regarding the proposed NSPS regulations will be discussed and common ground sought. The Department will report the results and outcome of the meet-and-confer period to Congress prior to finalizing the regulations, which should occur this spring.

Both Secretary England and Mr. Blair emphasized the broad-based effort to include all stakeholders in the design and development of NSPS and encouraged all interested parties to submit comments and continue to be part of that effort.

Implementation of the system is to begin as early as July 2005, with full implementation in the July 2007/January 2008 timeframe.

DoD employees and interested parties are encouraged to visit the NSPS Web site, <http://www.cpms.osd.mil/nsps>, to view and comment on the proposed regulations, as well to obtain the most recent NSPS information and announcements. Future **FASTRACK** issues will also contain NSPS updates.



NSPS Key Facts

➔ Employees will not lose pay upon conversion to the NSPS pay system.

➔ All employees, supervisors, managers (including military supervisors), and HR practitioners will be trained extensively prior to being affected by NSPS.

➔ Supervisory training will include how to set and communicate clear performance expectations and provide effective, ongoing feedback to employees on performance.

➔ Employees will have an avenue to challenge performance ratings under the NSPS performance management system.

➔ Employee representatives will have the opportunity to provide input on the development of the detailed policies and procedures for NSPS that will be issued within DoD, through a formal "continuing collaboration" process provided for in the proposed regulations.

NSPS to Retain Certain Fundamentals Unchanged

NSPS PEO

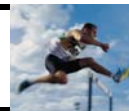
Much has been said about the changes that will occur as a result of NSPS, but just as important are those things that will not change. While NSPS represents a departure from the status quo in some areas, it does not in others. Here is a list of some of the fundamental principles that will not change as a result of NSPS:

- Merit system principles—preserved;
- Rules again prohibited personnel practices—apply equally under NSPS;

- Veterans' preference—preserved;
- Whistleblower protections—preserved;
- Benefits (retirement, health insurance, etc.)—untouched;
- Anti-discrimination laws—do not change under NSPS;
- Fundamental due process—still a fundamental right of all employees;
- Allowances and travel subsistence expenses—untouched;
- Training opportunities—may actually expand;
- Leave and work sched-

- ules—not changed;
- Other non-Title 5 personnel systems in law—not impacted by NSPS; and
- Laboratory demonstration organizations—not impacted at least until FY08.

It is important that employees fully understand what the new system is, but they also need to know what it is not. Many of the items listed above represent the core values of the civil service that our employees and the American public have come to expect. They can expect them to continue.



Social Security Benefits Rose by 2.7 Percent in 2005; Medicare Benefits and Premiums Also Increased

Benefits and Entitlements

[E-mail us](#)

Social Security benefits increase automatically each year, based on the rise in the Bureau of Labor Statistics Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) from the third quarter of the prior year to the corresponding period of the current year. The 2004 increase in the CPI-W was 2.7 percent. Accordingly, the monthly Social Security benefits for more than 51 million Americans increased 2.7 percent in 2005.

Other changes take effect in January of each year based on the increase in average wages. Based on that increase, the maximum amount of earnings subject to the Social Security tax (i.e., the “maximum taxable”) increased in 2005 to \$90,000 from \$87,900 the previous year. The amount of earnings required for a credit or “quarter of coverage” increased to \$920 from \$900. The monthly premium for Medicare Part B increased to \$78.20 from \$66.60.

Medicare Changes for 2005

Item	2004	2005
<i>Part A—Hospital Insurance</i>		
Deductible (Per benefit period ¹)	\$876	\$912
Coinsurance (Per day)		
• 61 st to 90 th day	\$219	\$228
• 91 st to 150 th day	\$438	\$456
<i>Part B—Medical Insurance</i>		
Premium (Per month per person)	\$66.60	\$78.20

¹ Benefit period—The way that Medicare measures your use of hospital services. A benefit period begins the day you go into a hospital and ends when you have not received hospital care for 60 consecutive days.

If you go into a hospital after one benefit period has ended, a new benefit period begins. You must pay the inpatient hospital deductible for each benefit period. There is no limit to the number of benefit periods you can have.

These and various other changes in Social Security and Medicare benefits can be found on the accompanying charts.

Social Security Changes for 2005

Item	2004	2005
Social Security Max. Taxable Earnings	\$87,900	\$90,000
Earnings Required for a Credit	\$900	\$920
Requirement Earnings Test		
• Under age 65	\$11,640	\$12,000
• Age 65 + 4 months	\$31,080 \$31,080	\$31,800 \$31,800
COLA for Social Security Recipients	2.1%	2.7%
Min. Social Security Earnings Needed for Substantial Earnings	\$16,275	\$16,725
Primary Insurance Amount (PIA) Formula:		
• 90% of first \$ ___ of average indexed monthly earnings +	\$612	\$627
• 32% of average indexed monthly earnings over \$ ___ and through \$ ___ +	\$612 \$3,689	\$627 \$3,779
• 15% of average indexed monthly earnings over \$ ___	\$3,689	\$3,779
Max. Monthly Social Security Benefit, Worker Retiring at Age 65 in January	\$1,825	\$1,939



Defense Civilian Personnel Data System (DCPDS) Among the Best in Federal E-Government Implementation

Regionalization & Systems Modernization (REGMOD) [E-mail us](#)

The Defense Civilian Personnel Data System (DCPDS) was named as one of 25 finalists out of 80 nominees for the prestigious 2005 Excellence.Gov awards program. This year's award focused on results-oriented electronic government (e-Gov). Judges from Government and industry selected the finalists based on mission impact and excellent satisfaction among stakeholders, participants, and end-users.

As a finalist, DCPDS was officially recognized by the Industry Advisory Council (IAC) e-Gov Shared Interest Group (SIG) in a February 9th ceremony in Washington, DC. Although only five programs were announced for top honors in 2005, Navy Chief Information Officer and guest speaker David Wennergren said all the finalists represent an engine of transformational energy for the Fed-

eral Government.

The IAC is part of the American Council for Technology, a 25-year-old non-profit organization for the information technology community. The IAC e-Gov SIG promotes implementation of e-Gov programs that will benefit society.

With more than 800,000 civilian employee records and 1.5 million position records, DCPDS is the largest human resources (HR) automated system in the world. The system encompasses appropriated and nonappropriated fund employees across the globe, as well as local nationals and civilian National Guard and Reserve technicians. As a result of its broad coverage, DCPDS must comply with a wide variety of statutes, including titles 5, 10, 20, 28, 29, 32, 33, and 38 of the United States Code.

DCPDS can perform 1.75 million pay and benefit transaction combinations

through the use of 490 tables with 5,000 data elements. Each month, the system accomplishes more than 307,000 SFs 50, Notices of Personnel Action.

A web-based system, DCPDS interfaces with the Defense Finance and Accounting Service automated payroll system, delivers personnel management information to managers' desktop computers, and provides corporate civilian workforce information to senior DoD leaders. Since achieving full operating capability in 2002, DCPDS has saved the Department \$200 million per year.

DCPDS functionality increases access to information, reduces reliance on paperwork, and eliminates redundant operations. Now, the DCPDS enterprise approach has won recognition for delivering HR services more efficiently and cost-effectively. To learn more about DCPDS, visit <http://www.cpms.osd.mil/regmod/index.html>.

Base Realignment & Closure (BRAC) '05

Civilian Assistance & Re-Employment (CARE) [E-mail us](#)

The 2005 round of BRAC was authorized by the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2002, Sections 3001-8 (Pub. L. 107-107), December 28, 2001. The following outlines significant BRAC-related decision deadlines this calendar year:

- May 16th: The Secretary of Defense (SECDEF) must publish the recommended closure/realignment list.
- September 8th: The BRAC Commission must send the President its findings and conclusions based on its analysis of SECDEF's recommendations.
- September 23rd: The President must send Congress and the Commission a report to approve/disapprove Commission recommendations.
- If approved, the recommendations are binding 45 legislative days later. If the recommendations are disapproved, the Commission must submit revised recommendations by October 20th.
- The President must approve and transmit the revised recommendations to Congress by November 7th, or the process ends.

As in past BRAC rounds, the Priority Placement Program will play a key role in stabilizing civilian employment, along with voluntary separation incentive pay and voluntary early retirement authority.

Death Benefits for Survivors Rose in December '04

Benefits & Entitlements [E-mail us](#)

Children's benefits payable for deaths occurring on or after December 1, 2004 are \$402 (single orphan) and \$482 (double orphan). If a benefit is payable to more than three children, the rates payable to be divided by the number of eligible children are \$1,206 (single orphan) and \$1,446

(double orphan).

Under the Federal Employees Retirement System (FERS), a basic employee death benefit is payable to the surviving spouse (or former spouse) of a deceased employee with at least 18 months of creditable service. The law provides that this lump-sum benefit is an amount equal to half the employee's final annual pay

(or average pay, if higher) plus \$15,000 adjusted for cost of living allowances (COLAs) under the Civil Service Retirement System (CSRS) rules. The CSRS COLA, which was effective December 1, 2004, increased the basic employee death benefit for deaths occurring on or after that date to half the employee's final annual pay (or average pay, if higher), plus \$25,537.58.



Annual Pay Adjustments for Certain FWS Clarified

Classification & Pay [E-mail us](#)

The FAS Pay Team on January 28th updated its guidance on annual pay adjustments for Federal Wage System (FWS) employees on simultaneous grade and pay retention. OPM recently clarified that FWS should be treated like GS, that is—

- FWS employees with a retained rate under **grade** retention rules should receive 100 percent; and
- Those with a retained rate under **pay** retention rules should receive only 50 percent.

Previous FAS Pay Team guidance said the retained rate for all FWS employees in this situation should be increased by 100 percent of the increase in the applicable wage schedule for their retained grade. As a result of OPM's clarification, annual pay adjustments for employees on simultaneous grade and pay retention must now be calculated the same way for both FWS and GS employees.

Any overpayments FWS employees may have received as a result of the previous guidance should be addressed under the proce-

dures established by the DoD Financial Management Regulation, Volume 8, Chapter 8, Civilian Pay Policy and Procedures, at sections 0803 and 0804. The FMR is available at <http://www.dod.mil/comptroller/fmr/>.

The updated FAS Pay Team guidance contains calculation examples and is available at www.cpms.osd.mil/fas/pay/pdf/814-815_rg.pdf. From there, scroll down to pages 10-12 for information on aspects of pay administration under simultaneous grade and pay retention.

Additional Military Leave for Reserve, Guard Technicians

Classification & Pay [E-mail us](#)

A recent change in law permits military reserve technicians (dual status) to use 44 work days of military leave during a war or national emergency. The National Defense Authorization Act for Fiscal Year 2005 (Public Law 108-375), October 28, 2004, Section 523 amends 5 U.S.C. 6323(d)(1) to authorize such leave. This amendment became effective on October 28, 2004, and applies to leave taken on or after that date.

Other statutory provisions authorize different amounts of military leave for civilian employees called to active military duty in support of a contingency operation or a national emergency. For information on those provisions, see our [article](#) in the May-June 2004 issue of *FASTRACK*.

Competition Underway for '05 Cooke Fellowships

DLAMP [E-mail us](#)

The Defense Leadership and Management Program (DLAMP) on January 13th announced the competition for the FY05 Doc Cooke Fellowships. Up to 100 fully funded fellowships are available for DLAMP participants who do not have a master's degree. The fellowship funds full-time attendance at an accredited college or univer-

sity. Participants may enroll in specific graduate programs to earn degrees in business, management, public administration, or other disciplines beneficial to the Department.

The updated application process is described at www.cpms.osd.mil/dlamp under *Participant Information*. The DLAMP Division must receive Component nominations by May 15th for

final selection in June.

The fellowships are named in honor of David O. ("Doc") Cooke, "Mayor of the Pentagon," who served there from 1957 until his death in 2002. As Director of Administration and Management from 1988 to 2002, he supported the Office of the Secretary of Defense and was active in executive development in both public institutions and universities.

CPMS Personnel-ity Profile

Jan Hoffheins: "Like Maya Angelou, I 'Wouldn't Take Nothing for My Journey Now'"

It's important for people who are interested in career progression to know that one can progress from a very low position in Government to the Senior Executive Service," says Jan

Hoffheins, the CPMS Deputy Director for HR Automated Systems. She can speak with some authority, since her own Federal experience illustrates her point.

"I started right after high school as a GS-2 at Red River Army Depot in Texarkana, TX, where I grew up. This was back when the war in Vietnam was still called

(Continued on page 6)

DLAMP Class of '05

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For the first time in three years, DLAMP is about to boost its cadre of future leaders. The solicitation for Class of 2005 nominations was released to DoD Components on December 14, 2004, and their nomination packages are due to the DLAMP Division May 31st. Each Component has established its own application process and deadlines. Our announcement and contact information for Component representatives are posted at www.cpms.osd.mil/dlamp. Please pass the word!



Jan Hoffheins: Education, Mobility Bring Opportunities

(Continued from page 5)

'the Southeast Asia buildup.' The Army depots were gearing up for combat, and they had to do a lot of hiring fast. There were career opportunities in HR, so I moved from the Ammunition Division to the HR Office, and that's the business I've been in ever since.

"In the late '60s, I became a nontraditional college student. It took me nine and a half years to earn a degree while continuing to work and raising a family, but in 1978 I received a Bachelor of Business Administration in Human Resources from East Texas State University. By that time, I had moved to Huntsville, Alabama, where I entered the Army's Intern Program as a GS-05 at the U.S. Army Missile Command.

"Then I transferred to Europe. I spent most of the '80s at the Heidelberg Community Civilian Personnel Office. My last overseas assignment was serving as the GS-13 senior Staffing Specialist for HQ USAREUR [U.S. Army Europe] and 7th Army. Europe was exciting from a work perspective and for the

travel, plus it provided great cultural exposure for my children.

"Upon returning to CONUS in 1989, I briefly worked for DLA [Defense Logistics Agency] in Battle Creek, MI. I transferred to DLA Headquarters at Cameron Station and then later to Fort Belvoir, VA, and served as the DLA senior Staffing Specialist for most of the '90s managing DLA's downsizing efforts. In 1999 I was promoted to the Assistant Executive Director for Staffing, Labor, and Employee Relations, and in 2000 I became DLA's Assistant Director for Human Resources.

"In 2003, I made it to the top of my career field when I was promoted to the Senior Executive Service with the Department of Commerce. That being my first SES experience, it was very challenging, but it really taught me how to be an SES. However, I was thrilled when the offer came from CPMS to return to DoD.

"My current challenge is overseeing automated systems development to sup-

port the National Security Personnel System, while ensuring that DCPDS continues to meet our customers' needs.

"I've held some demanding jobs along the way and certainly put in some long hours, but every job I've had has been great. As a manager, I fully support alternative work schedules, teleworking, and other programs that enable employees to balance their work and personal life. It's critical to find a balance.

"For stress reduction, I regularly hit the gym and the running trails near my home in Alexandria. I also enjoy murder mysteries; Sue Grafton, James Patterson, and Sara Peretsky are some of my favorite authors.

"So, for anyone considering a Government career in HR, go for it! Don't sell yourself short if you're starting at a lower level position or you don't have a college degree. Work hard, pursue lifelong learning, and enjoy the personal growth that comes from stretching to meet the demands of a position of responsibility. Do those things, and your career potential should be unlimited," Jan Hoffheins concludes—a conclusion to which her experience eloquently attests.

DCPDS Aces '05 Pay Adjustment

REGMOD

[E-mail us](#)

DCPDS achieved new heights in mass processing 430,000 actions across 15 HR regions for the 2005 pay adjustment. Total system processing time was less than 48 hours—a record time, 15 percent faster than last year—and execution was virtually problem-free.

Careful planning was the key to success. REGMOD and Lockheed Martin (LM) began in November 2004 by validating the mass salary pay process, then running a stress and performance test against a mock HR operating environment.

As the weekend of January 7-9 drew near, CPMS provided more than 400 local pay tables to LM for pre-staging. REGMOD provided the DoD Components detailed instructions on executing the mass salary process and working with various special pay tables.

On Friday, January 7th, shortly after 8:00 a.m. EST, the Components began more than 550 mass salary executions. Ready to assist 24/7 throughout the weekend were REGMOD functional representatives and LM technical experts.

All DoD HR regions were back in operation by Sunday, January 9th, 10:30 a.m. EST. Component reaction to successful mass salary processing was extremely positive. "Our REGMOD and LM people may justifiably be proud," said Jan Hoffheins, CPMS Deputy Director for HR Automated Systems.

CPMS Employment Corner

CPMS vacancies are posted at <http://www.hr.dla.mil/onjams/splash.htm>. From that web page, click on the "Job Opportunity Announcement Search

Page" link, scroll down to "Organization Options," select "Hq/CPMS," and scroll down to announcement numbers that start with "CPMS."

CPMS VALUES

- ★ Service to Our Customers
- ★ Service to Our People
- ★ Savings for Our Nation
- ★ Commitment to Quality
- ★ Commitment to Duty